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**FOUNDERS VILLAGE FILING NO. 21
SUBDIVISION IMPROVEMENTS AGREEMENT**

DATE: January 30, 2004.

PARTIES: **TOWN OF CASTLE ROCK**, a Colorado municipal corporation (Town),
100 Wilcox Street, Castle Rock, Colorado 80104.

CASTLE CANYON TOWNEHOMES, LLC, a Colorado limited liability
company, (Subdivider) 76 Crestone Way, Castle Rock, Colorado
80108.

MORTGAGEES: **FC Equities, Inc.**
Old Republic National Title Insurance Company

RECITALS:

A. Subdivider desires to plat and subdivide certain property as Founders Village Filing No. 21 (Subdivision), more particularly described in the attached **Exhibit 1** (Property).

B. The subdivision regulations of the Castle Rock Municipal Code require that the Subdivider construct the public improvements necessary to provide municipal utilities and services to the Subdivision in accordance with Town public works regulations. By this Agreement, the parties address the conditions for construction of such improvements and certain other issues concerning development of the Subdivision.

C. This Agreement is intended to protect the Town from any liability or cost which may result from the failure of the Subdivider to complete construction of such public improvements to Town standards. This Agreement is not made for the benefit of any other party and no representation is made by Town to any owner of a lot or tract within the Subdivision that all necessary Subdivision infrastructure will be completed by the Town in the event of a default by Subdivider.

D. Mortgagees are parties to this Agreement solely for the purpose of subordinating their liens and interest in the Property to the terms and conditions of this Agreement.

BDA 227154

COVENANTS:

NOW, THEREFORE, in consideration of these mutual promises, the parties agree and covenant as follows:

Section 1. Definitions. The following words when capitalized in the text shall have the meanings indicated:

Agreement: this Founders Village Filing No. 21 Subdivision Improvement Agreement.

Code: the Castle Rock Municipal Code, as amended.

Director: the Assistant Town Manager of Development Services or designee.

Final Site Plan: the final PD site plan for the Subdivision as approved by the Town.

Improvements: the water, wastewater, stormwater drainage, transportation, park, landscaping or other systems or infrastructure required to serve the Subdivision as identified and described in the Plans (whether on-site or off-site), which upon their completion are to be dedicated to the Town for operation and maintenance by the Town.

Landscaping: the Landscaping required on public areas or tracts and/or prescribed under the Final Site Plan or applicable subdivision and zoning regulations.

Open Space Agreement: The Open Space Agreement between the Town, DSSD Limited Liability Company, and Subdivider, approved by the Town Council on December 16, 2003.

Phase: a contiguous geographical area of the Subdivision so designated in the Plans.

Phase Improvements: those Improvements required to be constructed with a particular phase, as prescribed in the Phasing Plan, but excluding Landscaping.

Phase Landscaping: the Landscaping required to be installed within a particular Phase.

Phasing Plan: the depiction or description in the Plans of the Phases and the Improvements to be constructed with each Phase, as approved by the Director or designee.

Plans: the description of the Improvements on the Preliminary Plat and related documents as modified and supplemented by approved construction plans and drawings, together with the Landscaping Plan approved with the Final Site Plan.

Plat: the final subdivision plat for the Subdivision as approved by the Town.

Preliminary Plat: the Founders Village Filing No. 21 preliminary subdivision plat approved by the Town.

Property: the property described in the attached *Exhibit 1*.

Records: the public records of Douglas County, Colorado maintained by the Clerk and Recorder.

Subdivision: the Founders Village Filing No. 21 Subdivision.

Town Regulations: the Code, inclusive of the Town public works regulations, as the same may be amended from time to time.

Certain other terms are defined elsewhere in this Agreement. Section references are to the numbered sections of this Agreement.

Section 2. Construction of Improvements. The Improvements shall be constructed in strict accordance with the Plans, or to the extent not otherwise provided in the Plans, in accordance with applicable Town ordinances, rules and regulations. The Improvements may be constructed by Phase, in accordance with the applicable Phasing Plan, if any. If there is no Phasing of development of the Property, the references in this Agreement to "Phase" and "Phase Improvements" shall mean the Subdivision and Improvements, respectively.

In the event Subdivider has not obtained all necessary Town permits and approvals and commenced construction of the initial Improvements within one year of the date of recordation of this Agreement, the Town's approval of the Subdivision shall lapse. As a condition to commencement of construction of any of the Improvements thereafter, Subdivider shall demonstrate to the Town Council good cause for the delay and its good faith intention and financial ability to proceed and complete development of the Subdivision; provided that Subdivider shall not be required to resubmit a land use application for the Subdivision

Phase Improvements must be completed not later than one year after the date of issuance of the first public works permit for such Phase Improvements, provided that the completion date may be extended by the Director for up to 6 months if justified due to adverse weather, material unavailability, or other unanticipated and unavoidable

circumstances beyond the control of Subdivider, as determined by the Director.

The requirements for completion of Landscaping are contained in section 6.

Section 3. Restrictions Pending Completion of Improvements. A Phase shall not qualify for issuance of building permits until the Phase Improvements required by the Phasing Plan for such Phase are substantially completed, except when authorized by the Director, as further provided in this section. Substantial completion occurs when the Improvement is functional and operable in all material respects, although not completed to the standard required for formal acceptance by the Town for operation and maintenance. No Phase shall qualify for certificates of occupancy unless the Phase Improvements have been accepted by the Town as provided in section 4.

The Director, in his/her absolute discretion, may authorize issuance of one or more designated building permits prior to substantial completion, if unusual and unanticipated circumstances warrant granting a relaxation of the substantial completion requirement. In such event, the Director may impose the condition that all work must cease under such building permit if the Phase Improvements are not substantially completed by the date specified in the permit. Unless the underlying Security is a cash escrow, or letter of credit, Subdivider shall establish a separate cash escrow in the amount of 115% of the estimated cost of completion of the Improvements, which escrow shall be supplemental to the underlying Security. In no event shall the Director authorize the issuance of a building permit unless there is adequate emergency access to the site and the water system is completed sufficiently to provide adequate fire flows for fire protection.

The requirements for completion of Landscaping are contained in section 6.

Section 4. Acceptance of Improvements. Upon substantial completion of the Phase Improvements, Subdivider may request inspection. Town shall make inspection within five (5) working days of the date Subdivider requests final inspection, and Town shall notify Subdivider of non-conforming work within five (5) working days after the inspection is made. Subdivider shall have 30 days from the date of receipt of Town's inspection report to remedy the non-conforming work unless the remedial work is delayed due to weather conditions, in which event the work shall be completed as soon as reasonably feasible thereafter.

With cure of non-conforming work, receipt of as-built plans and initial acceptance of the Phase Improvements by Town, Subdivider shall promptly convey its interest in the Phase Improvements by document in the form attached as **Exhibit 2**. On the date of conveyance of the Phase Improvements, the applicable warranty period commences.

The acceptance process for Landscaping is addressed in section 6.

Section 5. Improvements Security. In accordance with Town Regulations,

Subdivider shall provide Town with a letter of credit, cash escrow deposit or performance bond approved by the Town Attorney in the amount of 115% of the estimated construction cost of the Phase Improvements, which Subdivider is constructing. Security for the Phase Improvements to be constructed by Districts is governed by the Development Agreement. The required financial guarantees are referred to as the "Security". The Security for each respective Phase shall be delivered to Town prior to and as a condition of the issuance of the first public works permit within such Phase. All construction cost estimates shall be submitted by Subdivider's registered civil engineer and reviewed and approved by the Town's engineering division, which cost estimates shall be used to estimate the Security requirement. Subdivider shall have the right to substitute permitted equivalent Security from a homebuilder for the Security provided by the Subdivider.

The purpose of the Security is to provide Town with the financial resources to mitigate any public health and safety hazards and/or regrade and revegetate the Property and/or complete construction or installation of any of the Phase Improvements, should Subdivider or Districts default in its obligation to complete the Phase Improvements (Remedial Work). The Town retains the absolute discretion to determine what Remedial Work, if any, is undertaken by Town on the Phase Improvements, in the event of such default. Any portion of the Security not utilized in the Remedial Work shall be returned to the obligor on the Security, or in the event a letter of credit or cash escrow is furnished by Subdivider or Districts, to such party.

With Town's initial acceptance of the Phase Improvements, the Security shall be reduced to 15% of the actual construction cost of the Phase Improvements in accordance with Town Regulations. The warranty portion of the Security shall be released as authorized in the Town Regulations. The release of the Security applicable to Landscaping is subject to the further restrictions and requirements of section 6.

Section 6. Landscaping. Subdivider shall make best efforts to complete all Phase Landscaping in conjunction with completion of the Phase Improvements as provided in section 2. Inspection of Phase Landscaping by the Town shall be made in the same manner as prescribed for Phase Improvements under section 4.

With Town's acceptance of the Phase Landscaping concurrently with the Phase Improvements, the Security pertaining to the Phase Landscaping shall be reduced to 15% of the actual cost of the Phase Landscaping. In such event, the warranty Security pertaining to the Phase Landscaping shall be released in accordance with Town Regulations.

In the event that at the time the Town accepts the Phase Improvements the Phase Landscaping is not sufficiently completed to allow the Town's acceptance, the following provisions shall apply:

- (a) Subdivider shall make a cash deposit to the Town in the amount of 115% of the estimated completion cost of the Phase Landscaping to be held by Town as security for completion of the Phase Landscaping (Landscape Deposit);
- (b) the amount of the Landscape Deposit shall be determined by the Town after review of the cost estimate of completion furnished by the Subdivider's landscape architect or contractor;
- (c) the Landscape Deposit must be made prior to and as a condition of the issuance of the first building permit within the Phase;
- (d) upon receipt of the Landscape Deposit the Town will release that portion of the Security applicable to the Phase Landscaping.
- (e) the Landscape Deposit shall not accrue interest;
- (f) Subdivider shall have 180 days from the date the Landscape Deposit is deposited with the Town to complete the Phase Landscaping;
- (g) within 10 days of completion of the Phase Landscaping and acceptance by the Town, Town shall return to Subdivider the Landscape Deposit, less a 15% warranty hold-back and the applicable warranty on the Phase Landscaping shall commence;
- (h) if at the end of such 180 day period the Phase Landscaping has not been completed and accepted by Town, Town may use the Landscape Deposit to the extent necessary to complete the Phase Landscaping, provided Town will not be obligated to spend any Town funds to complete the Phase Landscaping in the event the Landscape Deposit is insufficient to fund completion;
- (i) Town shall return to Subdivider any portion of the Landscape Deposit which remains after the Town has completed the Phase Landscaping within 10 days after completion of such Phase Landscaping, less a 15% hold-back for the warranty period;
- (j) the Landscape Deposit held for the warranty shall be released to Subdivider within 10 days of the date of expiration of the Phase Landscaping warranty and Town's final acceptance of the Phase Landscaping.

Section 7. Water Supply. Based on concurrently-approved land uses, the water rights dedication requirements for the Property are calculated as follows:

4 Duplex buildings	8 SFE
24 Townhome buildings	92 SFE
2 Irrigation ¾ inch taps	<u>2 SFE</u>

Total Demand 102 SFE

Such calculations are subject to adjustment based on actual irrigation taps and the further provisions of this section 7.

Concurrently with and as a condition to recordation of this Agreement, Subdivider shall convey by special warranty deed, free and clear of all liens and encumbrances, the water rights underlying the Property, which under the Town Regulations results in a 25 SFE credit. In addition, Subdivider has acquired 34 SFE from the Upper Woodlands Water Bank which is applied to meet the Subdivision water dedication requirements, resulting in a Water Credit of 59 SFE for the Subdivision. The deficit between the 59 SFE Subdivision Water Credit and the 102 SFE demand is 43 SFE.

Concurrently with and as a condition to recordation of this Agreement, Subdivider shall pay to Town the sum of \$118,250 representing cash-in-lieu of water rights under the Town Regulations for 43 SFE in order to satisfy the total demand requirements for the Property as development is currently proposed. In the event SFE in excess of the 2 SFE for irrigation taps are used on the Property or the Property development plan is amended such that the water demand is increased beyond the 102 SFE, Subdivider will be required to pay additional cash-in-lieu amount under the Town Regulations for such additional SFE. Conversely, if the irrigation SFE is less than the 2 SFE estimate, Town shall refund the excess cash-in-lieu payment to Subdivider.

The above calculation of SFE assumes that the SFE allocation to the Subdivision is made under Town ordinance No. 2003-51, which is effective as of January 15, 2004. However, the SFE allocation under the Town Regulations in effect at the time any building permits is issued shall be applied, even though such application may have the result of varying the total SFE for the Subdivision, in comparison to the numbers utilized in this section 7.

Section 8. Public Land Dedication. Concurrently with, and as a condition to the recordation of this Agreement, Subdivider shall convey to Town the approximately five-acre tract designated Exhibit C in the Open Space Agreement (5 Acres) in strict compliance with the terms and conditions attached to the conveyance under the Open Space Agreement. Neither the Subdivision, nor the Subdivider shall accrue any development credit or consideration for the water rights underlying the 5 Acres which rights are the separate property of DSSD Limited Liability Company. No onsite PLD is required.

Section 9. Blasting. No blasting shall take place on the Property pursuant to the

32

conditions of the Preliminary Plat approval.

Section 10. Private Roads. The pavement design and construction for all private roads and drives must conform with existing Town of Castle Rock Public Works Regulations. Private roads and drives shall be maintained by Subdivider or if applicable, homeowners association.

Section 11. Traffic Signal Participation. Concurrently with recordation of this Agreement, Subdivider shall pay to Town \$7,790 which represents the Subdivision's pro rata share of the traffic signals at Enderud Drive at Ridge Road and State Highway 86.

Section 12. Property Owner Disclosure. Subdivider shall provide a disclosure to all potential property owners prior to any conveyance of any lot or unit within the Subdivision of possible odor and tanker truck traffic notification in connection with the Mitchell Creek Lift station.

Section 13. Water Quality Wetland Areas. Subdivider or homeowners association will be responsible for maintenance (to include sustaining all plant life existing and constructed with the Improvement) of all on-site and off-site water quality facilities, including the wetland areas 1 and 2 (as shown on the Plans) located on the Mitchell Creek lift station site.

Section 14. Construction Damage. Subdivider shall be responsible for any extraordinary damage to all public roadways or public improvements internal to the Subdivision, resulting from the gross negligence of contractors working on the Improvements or private improvements. Subdivider may assign responsibility and liability for such construction damage to the builders within the Subdivision. Town consents to such assignment, without relieving Subdivider of the obligation to repair damage, in the event the assignee fails to do so as a result of construction traffic from the Subdivision. Provided however, where a third party assumes the role of Subdivider by applying for a public works permit and constructing public works for dedication to the Town, such third party shall be considered to be the Subdivider for purposes of this section and shall be responsible to the Town for construction damage.

Section 15. Disclosure to Purchaser. Subdivider shall make the following disclosure in any contract for conveyance of any portion of the Property (excluding the sale of a lot to a retail purchaser):

Development of this Property is subject to the Founders Village Filing No. 21 Subdivision Improvements Agreement with the Town of Castle Rock. Issuance of development approvals by the Town for your property may be dependent on the completion of certain off-site public improvements by Seller or other parties.

Although the Town requires that financial security be provided for construction of public improvements in this subdivision, the Town may not have the financial, legal or practical ability to complete construction of public improvements in the event of a default by the responsible party. The Town regulations and the Subdivision Improvements Agreement address only municipally-owned utilities and therefore the provision of other public utilities such as electricity, natural gas and cable television are governed exclusively by separate contracts with such utilities over which the Town exercises no control.

Section 16. Default. The following occurrences constitute a default of this Agreement by Subdivider:

- (a) failure to commence or complete construction of the Phase Improvements within the time periods prescribed in this Agreement;
- (b) failure to cure the defective construction or installation of any Phase Improvement within the applicable cure period;
- (c) failure to perform work on the Phase Improvements required by this Agreement within the Subdivision for a period of more than 90 consecutive days except when such delay is due to adverse weather, material unavailability, or other circumstances beyond the control of Subdivider;
- (d) Subdivider's insolvency, the appointment of a receiver for the Subdivider or the filing of a voluntary or involuntary petition in bankruptcy respecting the Subdivider; and/or
- (e) Subdivider has breached, or caused a breach of any other provision of this Agreement or the Open Space Agreement

As a condition to Town's right to exercise its remedies for default, Town shall give written notice to Subdivider of the occurrence of an event of default. Subdivider shall have 30 calendar days from the receipt of such notice to cure the default, unless such cure is necessarily delayed to adverse weather conditions in which event the cure period shall be extended by a number of days equal to the number of days of the unavoidable delay. If timely cure of the noticed default(s) is not accomplished, Town shall thereafter be entitled to pursue its remedies against Subdivider.

Section 17. Town's Rights Upon Default. When any event of default occurs and has not been timely cured, the Town may:

- (a) if the applicable Phase Improvements have not been timely completed, call the Security in accordance with its terms, and apply the Security for the Remedial

Work. Subdivider grants to Town and, if applicable, the surety, and their employees, agents and contractors, a non-exclusive right and easement to enter onto the Property after an uncured default for the purpose of undertaking the Remedial Work, provided such right of entry shall irrevocably terminate when all Improvements are completed and accepted by Town;

- (b) if Phase Improvements have not been timely completed, withhold issuance of building permits;
- (d) record a notice of non-compliance with this Agreement in the public records to provide record notice of the default, which notice shall promptly be released by Town upon cure of the default;
- (e) bring suit against the defaulting party for money damages and/or equitable relief for breach of the Agreement, and/or
- (f) pursue its remedies against Subdivider under the Open Space Agreement.

Section 18. Indemnification. Subdivider indemnifies and holds the Town harmless from and against all claims, costs and liability of every kind and nature, for injury or damage received or sustained by any person or entity in connection with, or on account of the construction or repair of the Phase Improvements by Subdivider; provided however such indemnity shall only extend to claims for injury or damage occurring prior to the date of final acceptance of the Phase Improvements by the Town.

Section 19. No Waiver. No waiver of any provision of this Agreement will be deemed or constitute a waiver of any other provision, nor will it be deemed or constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement signed by both Town and Subdivider, nor will the waiver of any default under this Agreement be deemed a waiver of any subsequent default or defaults of the same type. The Town's failure to exercise any right under this Agreement will not constitute the approval of any wrongful act by the Subdivider or the acceptance of any Improvement.

Section 20. Attorney's Fees. Should either party be required to resort to litigation to enforce the terms of this Agreement, the prevailing party, plaintiff or defendant, will be entitled to costs, including reasonable attorney's fees and expert witness fees, from the opposing party. If the court awards relief to both parties, each will bear its own costs in their entirety.

Section 21. Notice. Any notice required or permitted by this Agreement will be deemed effective when personally delivered in writing or by facsimile, or three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified, and return receipt requested, and addressed as follows:

if to Subdivider: Castle Canyon Townehomes, LLC
76 Crestone Way
Castle Rock, CO 80108

if to Town: Town of Castle Rock
Attn: Town Attorney
100 Wilcox Street
Castle Rock, CO 80104

Section 22. Town Default. In the event Town should fail to timely perform its obligations under this Agreement, Subdivider shall give written notice to Town of such default and Town shall have 10 calendar days from the receipt of such notice to cure the default. If the default is not timely cured, Subdivider shall have the right to seek legal and/or equitable relief against the Town.

Section 23. Entire Agreement. This instrument embodies the whole agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein, and this Agreement shall supersede all previous communications, representations, or agreements, either verbal or written.

Section 24. Recordation and Binding Effect. This Agreement shall be recorded with the Clerk and Recorder's Office of Douglas County, Colorado and shall be binding upon the assigns, successors, and grantees of Subdivider in the same manner as if such third parties were signatories to this Agreement.

Section 25. Immunity. Nothing contained in this Agreement constitutes a waiver of the Town's sovereign immunity under any applicable state law.

TOWN OF CASTLE ROCK



Mark Stevens, Town Manager

Approved as to form:



Robert J. Slentz, Town Attorney

ATTEST:





MORTGAGEE JOINDER

By execution of this Agreement, Mortgagee subordinates its lien and interest in the Property created by Deed of Trust recorded June 7, 1999 beginning in Book 1717 at Page 1612, to the real covenants and restrictions of this Agreement. Mortgagee shall have no affirmative obligation hereunder, nor shall Town have the right to seek performance of this Agreement from Mortgagee except in the event Mortgagee acquires legal title to the Property, in which event Mortgagee shall be bound by the terms, conditions and restrictions of this Agreement.

MORTGAGEE:

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

By: *[Signature]*

Its: SR. VICE PRESIDENT

CALIFORNIA)
STATE OF ~~COLORADO~~) ss.
COUNTY OF SAN FRANCISCO)

The foregoing instrument was acknowledged before me this 26th day of January 2004, by Richard J. Wallace----- as Senior Vice President for Old Republic National Title Insurance Company.

Witness my official hand and seal.
My commission expires: 4/15/07.

(SEAL)

Lisa G. Garcia
Notary Public



LAND DESCRIPTION:

PARCEL 1

A PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 8, TOWNSHIP 8 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST 1/16TH CORNER COMMON TO SECTION 5 AND SECTION 8, TOWNSHIP 8 SOUTH, RANGE 66 WEST FROM WHENCE THE NORTH ¼ CORNER OF SAID SECTION 8 BEARS S89°23'49"W, 1313.91 FEET; THENCE S79°24'52"W, 954.44 FEET TO THE POINT OF BEGINNING BEING A POINT ON THE WEST LINE OF A 7.601 ACRES SITE KNOWN AS TRACT B - MITCHELL CREEK SEWAGE TREATMENT AS RECORDED ON THE PLAT OF VILLAGES AT CASTLE ROCK, FILING NO. 1, FINAL PLAT AMENDED, AT RECEPTION NO. 869810; THENCE S00°36'20"E, 386.59 FEET TO THE SOUTHWEST CORNER OF SAID TRACT B;

THENCE ALONG THE SOUTH LINE OF SAID TRACT B, N89°23'40"E, 429.85 FEET TO THE NORTHWESTERLY LINE OF A 50.00 FOOT WIDE UTILITY & ACCESS EASEMENT AS RECORDED AT SAID RECEPTION NO. 869810; THENCE ALONG SAID NORTHWESTERLY LINE THE FOLLOWING 6 COURSES:

1) THENCE 32.05 FEET ALONG A CURVE TO THE RIGHT WHICH HAS A RADIUS OF 75.00 FEET, A DELTA OF 24°29'10" AND A CHORD WHICH BEARS S34°35'19"W, 31.81 FEET; 2) THENCE S46°49'54"W, 26.50 FEET; 3) THENCE 83.01 FEET ALONG A CURVE TO THE LEFT WHICH HAS A RADIUS OF 125.00 FEET, A DELTA OF 38°02'55" AND A CHORD WHICH BEARS S27°48'26"W, 81.49 FEET; 4) THENCE S08°46'59"W, 48.10 FEET; 5) THENCE 96.61 FEET ALONG A CURVE TO THE RIGHT WHICH HAS A RADIUS OF 75.00 FEET, A DELTA OF 73°48'10" AND A CHORD WHICH BEARS S45°41'04"W, 90.07 FEET; 6) THENCE S82°35'09"W, 124.66 FEET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF WAGONWHEEL TRAIL AS RECORDED AT SAID RECEPTION NO. 869810;

THENCE ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE THE FOLLOWING 7 COURSES:

1) THENCE 256.16 FEET ALONG A CURVE TO THE LEFT WHICH HAS A RADIUS OF 170.00 FEET, A DELTA OF 86°20'05" AND A CHORD WHICH BEARS N59°02'18"W, 232.60 FEET; 2) THENCE S77°47'40"W, 187.14 FEET; 3) THENCE 228.30 FEET ALONG A CURVE TO THE RIGHT WHICH HAS A RADIUS OF 470.00 FEET, A DELTA OF 27°49'50" AND A CHORD WHICH BEARS N88°17'25"W, 226.06 FEET; 4) THENCE N74°22'30"W, 489.89 FEET; 5) THENCE 550.92 FEET ALONG A CURVE TO THE LEFT WHICH HAS A RADIUS OF 1030.00 FEET, A DELTA OF 30°38'45" AND A CHORD WHICH BEARS N89°41'53"W, 544.37 FEET; 6) THENCE S74°58'45"W, 133.02 FEET; 7) THENCE 23.56 FEET ALONG A CURVE TO THE RIGHT WHICH HAS A RADIUS OF 15.00 FEET, A DELTA OF 90°00'00" AND A CHORD WHICH BEARS N60°01'15"W, 21.21 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF ENDERUD BOULEVARD AS RECORDED AT SAID RECEPTION NO. 869810; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING 2 COURSES:

1) THENCE N15°01'15"W, 50.84 FEET; 2) THENCE 179.35 FEET ALONG A CURVE TO THE RIGHT WHICH HAS A RADIUS OF 757.50 FEET, A DELTA OF 13°33'57" AND A CHORD WHICH BEARS N08°14'16"W, 178.93 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF A 20 FOOT BIKE PATH EASEMENT AS RECORDED IN BOOK 1221 AT PAGE 2137;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING 7 COURSES:

1) THENCE N89°10'01"E, 27.95 FEET; 2) THENCE 56.29 FEET ALONG A CURVE TO THE LEFT WHICH HAS A RADIUS OF 40.00 FEET, A DELTA OF 80°37'50" AND A CHORD WHICH BEARS N48°51'06"E, 51.76 FEET; 3) THENCE N08°32'11"E, 39.19 FEET; 4) THENCE N11°47'16"E, 24.15 FEET; 5) THENCE N24°40'42"E, 22.85 FEET; 6) THENCE N39°14'45"E, 23.25 FEET; 7) THENCE N50°28'01"E, 20.13 FEET TO THE SOUTHERLY LINE OF A 30 FOOT UTILITY EASEMENT AS RECORDED IN BOOK 789 AT PAGE 698;

THENCE ALONG SAID SOUTHERLY UTILITY RIGHT-OF-WAY LINE THE FOLLOWING 3 COURSES:

1) THENCE S23°18'55"E, 12.65 FEET; 2) THENCE S88°09'24"E, 43.40 FEET; 3) THENCE S73°40'41"E, 98.99 FEET TO THE SAID SOUTHERLY BIKE PATH RIGHT-OF-WAY LINE;

THENCE ALONG SAID SOUTHERLY BIKE PATH RIGHT-OF-WAY LINE THE FOLLOWING 5 COURSES:

1) THENCE S57°51'22"E, 34.00 FEET; 2) THENCE S57°38'35"E, 7.70 FEET; 3) THENCE 75.43 FEET ALONG A CURVE TO THE LEFT WHICH HAS A RADIUS OF 75.00 FEET, A DELTA OF 57°37'17" AND A CHORD WHICH BEARS S86°27'14"E, 72.29 FEET; 4) THENCE N64°44'08"E, 22.93 FEET; 5) THENCE 60.11 FEET ALONG A CURVE TO THE RIGHT WHICH HAS A RADIUS OF 70.00 FEET, A DELTA OF 49°11'48" AND A CHORD WHICH BEARS N89°20'02"E, 58.28 FEET TO THE SAID SOUTHERLY UTILITY RIGHT-OF-WAY LINE;

THENCE ALONG SAID SOUTHERLY UTILITY RIGHT-OF-WAY LINE THE FOLLOWING 2 COURSES:

1) THENCE S48°52'00"E, 163.48 FEET; 2) THENCE N45°58'03"E, 49.94 FEET TO THE SAID SOUTHERLY BIKE PATH RIGHT-OF-WAY LINE;

THENCE ALONG SAID SOUTHERLY BIKE PATH RIGHT-OF-WAY LINE THE FOLLOWING 2 COURSES:

1) THENCE S83°49'21"E, 228.34 FEET; 2) THENCE 10.52 FEET ALONG A CURVE TO THE LEFT WHICH HAS A RADIUS OF 150.00 FEET, A DELTA OF 4°01'03" AND A CHORD WHICH BEARS S85°49'53"E, 10.52 FEET TO THE SAID SOUTHERLY UTILITY RIGHT-OF-WAY LINE;

THENCE ALONG SAID SOUTHERLY UTILITY RIGHT-OF-WAY LINE THE FOLLOWING 4 COURSES:

1) THENCE S54°26'14"E, 167.41 FEET; 2) THENCE N88°43'37"E, 72.19 FEET; 3) THENCE N26°31'55"E, 143.69 FEET; 4) THENCE N60°58'56"E, 161.33 FEET TO THE SAID SOUTHERLY BIKE PATH RIGHT-OF-WAY LINE;

THENCE ALONG SAID SOUTHERLY BIKE PATH RIGHT-OF-WAY LINE THE FOLLOWING 4 COURSES:

1) THENCE 97.91 FEET ALONG A CURVE TO THE LEFT WHICH HAS A RADIUS OF 385.00 FEET, A DELTA OF 14°34'15" AND A CHORD WHICH BEARS N62°58'43"E, 97.65 FEET; 2) THENCE N55°41'16"E, 36.83 FEET; 3) THENCE N60°58'56"E, 137.32 FEET; 4) THENCE 15.08 FEET ALONG A CURVE TO THE LEFT WHICH HAS A RADIUS OF 260.00 FEET, A DELTA OF 3°19'26" AND A CHORD WHICH BEARS N65°14'03"E, 15.08 FEET TO THE SAID SOUTHERLY UTILITY RIGHT-OF-WAY LINE;

THENCE ALONG SAID SOUTHERLY UTILITY RIGHT-OF-WAY LINE THE FOLLOWING 1 COURSE:

1) THENCE S73°22'02"E, 144.46 FEET TO THE POINT OF BEGINNING;

CONTAINING: 596,978 SQUARE FEET OR 13.70 ACRES OF LAND, MORE OR LESS.

Exhibit 1
Page 2 of 2

PARCEL 2

A PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 8, TOWNSHIP 8 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST 1/16TH CORNER COMMON TO SECTION 5 AND SECTION 8, TOWNSHIP 8 SOUTH, RANGE 66 WEST FROM WHENCE THE NORTH ¼ CORNER OF SAID SECTION 8 BEARS S89°23'49"W, 1313.91 FEET; THENCE, S38°04'02"W, 763.14 FEET TO THE POINT OF BEGINNING BEING A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF A 30 FOOT SANITARY SEWER EASEMENT KNOWN AS "D-1" AS RECORDED IN BOOK 1221 AT PAGE 2135;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING 3 COURSES:

1) THENCE S11°53'56"E, 149.40 FEET; 2) THENCE S12°09'40"W, 245.75 FEET; 3) THENCE S11°00'08"E, 27.72 FEET TO A POINT ON THE NORTHERLY LINE OF A 20 FOOT BIKE PATH RIGHT-OF-WAY AS RECORDED IN BOOK 1221 AT PAGE 2137;

THENCE ALONG SAID NORTHERLY BIKE PATH RIGHT-OF-WAY THE FOLLOWING 9 COURSES:

1) THENCE S60°43'42"W, 11.05 FEET; 2) THENCE S70°04'59"W, 95.47 FEET; 3) THENCE 102.15 FEET ALONG A CURVE TO THE LEFT WHICH HAS A RADIUS OF 110.00 FEET, A DELTA OF 53°12'27" AND A CHORD WHICH BEARS S43°28'46"W, 98.52 FEET; 4) THENCE S16°52'32"W, 107.89 FEET; 5) THENCE 89.05 FEET ALONG A CURVE TO THE RIGHT WHICH HAS A RADIUS OF 45.00 FEET, A DELTA OF 113°23'14" AND A CHORD WHICH BEARS S73°34'09"W, 75.22 FEET; 6) THENCE N49°44'14"W, 26.92 FEET; 7) THENCE 67.65 FEET ALONG A CURVE TO THE LEFT WHICH HAS A RADIUS OF 135.00 FEET, A DELTA OF 28°42'38" AND A CHORD WHICH BEARS N64°05'33"W, 66.94 FEET; 8) THENCE 64.45 FEET ALONG A CURVE TO THE RIGHT WHICH HAS A RADIUS OF 299.54 FEET, A DELTA OF 12°19'43" AND A CHORD WHICH BEARS N72°17'01"W, 64.33 FEET; 9) THENCE N65°58'26"W, 2.85 FEET TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF WAGONWHEEL TRAIL AS RECORDED ON THE PLAT OF VILLAGES AT CASTLE ROCK, FILING NO. 1, FINAL PLAT AMENDED, AT RECEPTION NO. 869810;

THENCE ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE THE FOLLOWING 2 COURSES:

1) THENCE N24°11'16"E, 289.79 FEET; 2) THENCE 68.67 FEET ALONG A CURVE TO THE LEFT WHICH HAS A RADIUS OF 170.00 FEET, A DELTA OF 23°08'42" AND A CHORD WHICH BEARS N12°36'55"E, 68.21 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF A 50 FOOT UTILITY AND ACCESS EASEMENT AS RECORDED AS SAID RECEPTION NO. 869810;

THENCE ALONG SAID SOUTHERLY UTILITY RIGHT-OF-WAY LINE THE FOLLOWING 6 COURSES:

1) THENCE N82°35'09"E, 124.66 FEET; 2) THENCE 161.01 FEET ALONG A CURVE TO THE LEFT WHICH HAS A RADIUS OF 125.00 FEET, A DELTA OF 73°48'10" AND A CHORD WHICH BEARS N45°41'04"E, 150.11 FEET; 3) THENCE N08°46'59"E, 48.10 FEET; 4) THENCE 49.81 FEET ALONG A CURVE TO THE RIGHT WHICH HAS A RADIUS OF 75.00 FEET, A DELTA OF 38°02'55" AND A CHORD WHICH BEARS N27°48'27"E, 48.90 FEET; 5) THENCE N46°49'54"E, 26.50 FEET; 6) THENCE 25.74 FEET ALONG A CURVE TO THE LEFT WHICH HAS A RADIUS OF 125.00 FEET, A DELTA OF 11°47'56" AND A CHORD WHICH BEARS N40°55'56"E, 25.70 FEET TO THE POINT OF BEGINNING;

CONTAINING: 125,534 SQUARE FEET OR 2.88 ACRES OF LAND, MORE OR LESS.

(EXEMPLAR – NOT FOR EXECUTION)

**EXHIBIT 2
PUBLIC IMPROVEMENTS CONVEYANCE AND INITIAL ACCEPTANCE**

TRANSFEROR:

TRANSFeree: Town of Castle Rock, a municipal corporation ("Town")
100 Wilcox Street
Castle Rock, Colorado 80104

Transferor has caused to be constructed certain public improvements and facilities described in the attached **Exhibit A** (the "Improvements"), as required by Town to serve Founders Village Filing No. 21. Town will assume the obligation for maintenance and operation of the Improvements, located in rights-of-way, easements or other real property owned by Town, upon the conveyance of the Improvements to Town.

THEREFORE, Transferor grants, conveys and transfers to Town all its interest (real or personal) and title to the Improvements subject to the following:

1. Transferor warrants to Town that Transferor has a good title to the Improvements, free and clear of any lien, claim or right of any third party in or to the Improvements, and Transferor will defend Town's title to the Improvements against the claim of any third party.
2. Transferor warrants that the Improvements are located within the easement, right-of-way or other real property interest designated by the Town for siting of the Improvements. Town acknowledges receipt of as-built drawings of the Improvements dated _____.
3. Transferor warrants that, as constructed, all Improvements are in conformance with the current Town of Castle Rock standards and the approved construction plans, and are free from defects in design, material or workmanship. This warranty is for the period prescribed by the Town's Public Works Regulations commencing on the date of acceptance made below.
4. Transferor represents that the approximate amount of direct costs of construction of the Improvements (excluding engineering, financing, insurance, etc.), as determined in accordance with usual and customary construction accounting practices is as follows: